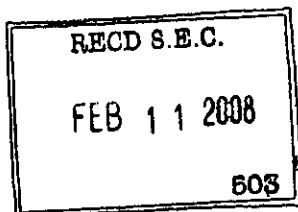




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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
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**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: The Trinity Group, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

475 17th Ave., Suite 1000

(No. and Street)

Denver

CO

80202

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

John Couzens

(303) 225-8280

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Spicer Jeffries LLP

(Name - if individual, state last, first, middle name)

5251 S. Quebec Street, Suite 200

Greenwood Village

CO

80111

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**FEB 22 2008**

**FOR OFFICIAL USE ONLY**

**THOMSON  
FINANCIAL**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

2/21

## OATH OR AFFIRMATION

I, John Couzens, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Trinity Group, LLC, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_

Charlton M. Simms  
Commission Exp. Date 9-08-2009  
Notary Public

John Couzens  
Signature  
Managing Member  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity of Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital (including reconciliation of X-17A-5 Part II filing with this Rule 17a-5(d) report, if applicable).
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors' Report on Internal Accounting Control.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# THE TRINITY GROUP, LLC

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GREENWOOD VILLAGE, COLORADO 80111

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FAX: (303) 753-0338

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## INDEPENDENT AUDITORS' REPORT

The Member of  
The Trinity Group, LLC

We have audited the accompanying statement of financial condition of The Trinity Group, LLC as of December 31, 2007, and the related statements of operations, changes in member's equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Trinity Group, LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information contained in the supplemental schedule listed in the accompanying index is presented for purposes of additional analysis and is not required for a fair presentation of the financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Spicer Jeffries LLP*

Greenwood Village, Colorado  
January 12, 2008

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Spicer Jeffries is a member of MSI, a network of independent professional firms.

**THE TRINITY GROUP, LLC**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2007**

**ASSETS**

Cash	\$ 490,878
Prepaid expenses	398
Furniture and equipment, net of accumulated depreciation of \$479	<u>-</u>
<b><i>Total assets</i></b>	<b><u>\$ 491,276</u></b>

**LIABILITIES AND MEMBER'S EQUITY**

**LIABILITIES:**

Accounts payable and accrued expenses	\$ 3,155
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<b>MEMBER'S EQUITY</b> (Note 2)	<u>488,121</u>
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<b><i>Total liabilities and member's equity</i></b>	<b><u>\$ 491,276</u></b>
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The accompanying notes are an integral part of this statement.

**THE TRINITY GROUP, LLC**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**REVENUE:**

Investment banking fees and expense reimbursements	\$ 1,420,000
Other revenue	<u>35,000</u>
<b><i>Total revenue</i></b>	<b><u>1,455,000</u></b>

**EXPENSES:**

Client service fees (Note 3)	700,000
Occupancy and indirect expenses (Note 3)	25,200
Other general and administrative	22,919
Professional fees	15,419
Commissions expense	<u>12,500</u>
<b><i>Total expenses</i></b>	<b><u>776,038</u></b>

<b>NET INCOME</b>	<b><u>\$ 678,962</u></b>
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The accompanying notes are an integral part of this statement.

**THE TRINITY GROUP, LLC**

**STATEMENT OF CHANGES IN MEMBER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b><u>Member's Equity</u></b>
<b>BALANCE, December 31, 2006</b>	<b>\$ 14,197</b>
Contributions	4,962
Distributions	(210,000)
Net income	<u>678,962</u>
<b>BALANCE, December 31, 2006</b>	<b><u>\$ 488,121</u></b>

The accompanying notes are an integral part of this statement.

**THE TRINITY GROUP, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income	\$ 678,962
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	80
Decrease in accounts receivable	5,000
Decrease in prepaid expenses	302
Increase in accounts payable and accrued expenses	<u>1,773</u>
<i>Net cash provided by operating activities</i>	<u>686,117</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Capital contributions	4,962
Capital distributions	<u>(210,000)</u>
<i>Net cash used in financing activities</i>	<u>(205,038)</u>

<b>NET INCREASE IN CASH</b>	481,079
<b>CASH, at beginning of year</b>	<u>9,799</u>
<b>CASH, at end of year</b>	<u><b>\$ 490,878</b></u>

The accompanying notes are an integral part of this statement.



## **THE TRINITY GROUP, LLC**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization and Business**

The Trinity Group, LLC (the "Company") was formed as a Colorado limited liability company in July 2003 under its original name, TCS Capital Markets, LLC, subsequently changing to its current name. It operates as a registered broker-dealer providing investment banking services primarily in the areas of private placements and merger and acquisition advisory services. The Company's only member is Trinity Capital Services, LLC ("TCS").

The Company, under Rule 15c3-3(k)(2)(i), is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts and does not engage in a retail securities business. Accordingly, it does not have an arrangement with any broker to clear such transactions or maintain customer accounts.

##### **Revenue Recognition**

The Company recognizes client service fee income and expense reimbursement income at the time services are rendered.

##### **Depreciation**

The Company provides for depreciation of furniture and equipment on the straight-line method based on the estimated lives of the assets of three years.

##### **Income Taxes**

The Company does not pay income taxes as its income, deductions, gains, losses, credits and any resulting income tax liabilities are reported by the beneficial owners of TCS. Accordingly, there are no income taxes reported in the financial statements.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the accounting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

For purposes of cash flows, the Company considers money market funds and certificates of deposit with a maturity of three months or less to be cash equivalents.

**THE TRINITY GROUP, LLC**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**NOTE 1 - BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
*(continued)*

**Financial Instruments**

The Company's financial instruments, including cash, prepaid expenses and payables are carried at amounts that approximate fair value due to the short term nature of those instruments.

**NOTE 2 - NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At December 31, 2007, the Company had net capital and net capital requirements of \$487,723 and \$5,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 0.01 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The Company does not have any employees. It has entered into an agreement with its member that provides it pay the member 50% of all client service fee revenue it receives in exchange for the personnel services needed to serve its clients. These services are primarily for professionals providing private placement and merger and acquisition advisory services. The Member received \$700,000 for such services in 2007. In addition, the Company occupies its member's office space, including furniture and equipment, and is provided non-client related administrative support under an agreement with its member paying \$2,100 per month in 2007.

**NOTE 4 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK  
AND OTHER RISKS AND UNCERTAINTIES**

The Company's cash and cash equivalents are maintained at a single financial institution in amounts that exceed the federally insured limit of \$100,000. The Company has not experienced any losses in such accounts and believes it is not exposed to significant risk in this area. At December 31, 2007, the Company had \$390,878 in excess of this requirement which is subject to loss should the bank cease operations.

**SUPPLEMENTARY SCHEDULE**

**THE TRINITY GROUP, LLC**

**COMPUTATION OF NET CAPITAL  
PURSUANT TO UNIFORM NET CAPITAL RULE 15c3-1  
DECEMBER 31, 2007**

**CREDIT:**

Member's equity	\$ 488,121
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**DEBITS:**

Nonallowable assets:	
Prepaid expenses	<u>398</u>

<b>NET CAPITAL</b>	<b>487,723</b>
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Minimum requirements of 6-2/3% of aggregate indebtedness of \$3,155 or \$5,000, whichever is greater	<u>5,000</u>
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<b><i>Excess net capital</i></b>	<b><u>\$ 482,723</u></b>
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**AGGREGATE INDEBTEDNESS:**

Accounts payable and accrued expenses	<u>\$ 3,155</u>
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<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<b><u>0.01 to 1</u></b>
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NOTE: There are no material differences between the above computation of net capital and the corresponding computation as submitted by the Company with the unaudited Form X-17A-5 as of December 31, 2007.



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**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

The Member of  
The Trinity Group, LLC

In planning and performing our audit of the financial statements and supplementary information of The Trinity Group, LLC (the "Company") for the year ended December 31, 2007, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by The Trinity Group, LLC that we considered relevant to the objectives stated in Rule 17a-5(g), (i) in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3; and (ii) for safeguarding the occasional receipt of securities and cash until promptly transmitted to the Company's clearing brokers. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or complying with the requirements for prompt payment for securities under section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate. This report recognizes that it is not practicable in an organization the size of The Trinity Group, LLC to achieve all the divisions of duties and cross-checks generally included in a system of internal accounting control and that alternatively greater reliance must be placed on surveillance by management.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007, to meet the SEC's objectives.

In addition, our review indicated that The Trinity Group, LLC was in compliance with the conditions of exemption from Rule 15c3-3 pursuant to paragraph k(2)(i) as of December 31, 2007, and no facts came to our attention to indicate that such conditions had not been complied with during the year.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, Inc., and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Spicer Jeffries LLP*

Greenwood Village, Colorado  
January 12, 2008

END